

Message Text

UNCLASSIFIED

PAGE 01 STATE 025377

17 15

ORIGIN SS-20

INFO OCT-01 EUR-25 EA-11 ISO-00 CIAE-00 DODE-00 NSAE-00

NSCE-00 SSO-00 USIE-00 SPC-03 SAM-01 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 TRSE-00 STR-08 OMB-01 CEA-02

COME-00 INT-08 SCI-06 FEA-02 IO-14 NEA-11 OIC-04 AF-10

PM-07 H-03 INR-10 L-03 PA-04 PRS-01 INRE-00 /199 R

DRAFTED BY T/IEP:MWGLITMAN/DS

APPROVED BY T/IEP:MWGLITMAN

EUR-MR. HARTMAN(SUBS)

S/PRS-MR. GEHRON

----- 087524

O 070324Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY BONN IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY THE HAGUE IMMEDIATE

AMEMBASSY DUBLIN IMMEDIATE

AMEMBASSY BRUSSELS IMMEDIATE

AMEMBASSY COPENHAGEN IMMEDIATE

AMEMBASSY LUXEMBOURG IMMEDIATE

USMISSION EC BRUSSELS IMMEDIATE

USMISSION OECD PARIS IMMEDIATE

AMEMBASSY OSLO IMMEDIATE

UNCLAS STATE 025377

E.O. 11652: N/A

TAGS: ENRG

SUBJECT: ENERGY - WASHINGTON ENERGY CONFERENCE

FOLLOWING ARE EXCERPTS FROM SECRETARY'S FEBRUARY 6

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 025377

REMARKS TO WASHINGTON D.C. HARVARD/PRINCETON/YALE CLUB

AND SUBSEQUENT QUESTIONS AND ANSWERS. YOU SHOULD DRAW ON THESE IN BRIEFING HOST GOVERNMENTS IN CONNECTION WITH WASHINGTON ENERGY CONFERENCE.

BEGIN EXCERPTS:

"SECRETARY KISSINGER: I THOUGHT I WOULD TALK TO YOU BRIEFLY ABOUT THE ENERGY CONFERENCE THAT IS STARTING NEXT WEEK HERE IN WASHINGTON, TO WHICH THE FOREIGN MINISTERS OF THIRTEEN COUNTRIES WILL COME TOGETHER WITH SEVERAL FINANCE MINISTERS, AND HEADS OF THE ENERGY PROGRAMS OF THE COUNTRIES CONCERNED.

WHAT ARE WE TRYING TO DO?

THERE ARE SOME WHO SAY WE ARE TRYING TO ORGANIZE A CONSUMERS COOPERATIVE. THERE ARE OTHERS WHO ARGUE THAT WE ARE TRYING TO PRODUCE A CONFRONTATION WITH THE PRODUCERS. THERE ARE OTHERS WHO SAY THAT WE ARE NEGLECTING THE LESS DEVELOPED COUNTRIES. NONE OF THESE STATEMENTS ARE ACCURATE.

THE ENERGY PROBLEMS WILL HAVE TO BE SETTLED IN A DISCUSSION BETWEEN THE CONSUMERS AND THE PRODUCERS AND WE EXPECT

THAT VERY SOON AFTER THE CONCLUSION OF THE CONFERENCE OF THE CONSUMERS, THERE WILL BE A CONFERENCE, FIRST, BETWEEN THE NATIONS THAT ARE COMING NEXT WEEK, AND THE CONSUMING LESS DEVELOPED COUNTRIES. AND THEN VERY SHORTLY AFTER THAT, A MEETING BETWEEN ALL OF THE CONSUMERS AND THE PRODUCING COUNTRIES.

THE REASON THAT WE THOUGHT IT ESSENTIAL THAT THOSE NATIONS THAT CONSUME AND IMPORT 85 PERCENT OF THE WORLD'S ENERGY MEET FIRST, IS BECAUSE THEY HAVE A COMMON PROBLEM OF A VERY LARGE SIZE, THAT IS MANAGEABLE BY COOPERATIVE EFFORT ONLY; AND THAT WILL SURELY LEAD TO THE RUIN OF EVERYBODY IF IT IS ATTEMPTED TO BE SETTLED ON A UNILATERAL BASIS.

WHAT IS THE PROBLEM?

IT BECAME APPARENT DURING THE FALL, THAT THE INCENTIVES
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 025377

FOR SUPPLY ARE NOT KEEPING UP WITH THE WORLDWIDE DEMAND FOR ENERGY, AND IT BECAME EVEN MORE EVIDENT DURING THE WINTER, THAT THE RISE IN PRICES FACES ALL THE NATIONS OF THE WORLD WITH A SITUATION THAT THEY ARE TOTALLY INCAPABLE OF SOLVING ON AN INDIVIDUAL BASIS.

INDEED, OF ALL THE NATIONS IN THE WORLD, THE UNITED STATES IS IN THE BEST POSITION TO SOLVE THE PROBLEM ON AN

INDIVIDUAL BASIS.

AT CURRENT PRICES, THE ADVANCED COUNTRIES WILL RUN A DEFICIT OF 39 BILLION DOLLARS. AT CURRENT PRICES, THE LESS DEVELOPED NATIONS WILL RUN A DEFICIT OF 29 BILLION DOLLARS FOR THEIR ENERGY BILL.

THE PRICE OF ENERGY FOR THE LESS DEVELOPED COUNTRIES IS FOUR TIME MORE THAN THE TOTAL AID FLOW FROM ALL THE COUNTRIES IN THE WORLD. TO PUT IT ANOTHER WAY:

IF ALL THE COUNTRIES HAD ABOLISHED THEIR AID PROGRAM, THE IMPACT ON THE LESS DEVELOPED COUNTRIES WOULD HAVE BEEN MUCH LESS SEVERE THAN THE RISE IN PRICES THAT WAS AGREED TO IN ONE AFTERNOON, BY THE OIL PRODUCING COUNTRIES.

WITH THESE DEFICITS, NO COUNTRY CAN MEET ITS ENERGY NEEDS BY ITS OWN EFFORTS. THERE IS NO WAY, GIVEN THE REQUIREMENTS OF THE PRODUCING NATIONS, BY WHICH THE DEFICIT CAN BE CLOSED THROUGH TRADE ARRANGEMENTS.

AND THEREFORE, ALL NATIONS IN THE WORLD HAVE A COMMON PROBLEM OF HOW TO ASSURE THEIR SUPPLY AND HOW TO RELATE THE PRICES TO THE STRUCTURE OF THE WORLD'S ECONOMY.

THIS IS EQUALLY IN THE INTERESTS OF THE PRODUCING NATIONS, BECAUSE IF THERE WERE A WORLD ECONOMIC RECESSION, EVEN THE PRODUCING NATIONS WOULD SUFFER.
THE UNITED STATES IS APPROACHING THIS CONFERENCE WITH THE ATTITUDE THAT AS ONCE BEFORE, AT THE END OF WORLD WAR II, WHEN THERE WERE GREAT DISLOCATIONS IN THE WORLD, THE UNITED STATES RECOGNIZED THAT IT HAD A PROFOUND INTEREST IN WORLD ECONOMIC STABILITY -- AND EVEN MORE, THAT WE
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 025377

HAVE A PROFOUND INTEREST IN WORLD COOPERATIVE RELATIONSHIPS.

ALL THE PROBLEMS THAT I HAVE DESCRIBED, AFFECT THE UNITED STATES LEAST.

AS THE PRESIDENT HAS POINTED OUT, WE CAN BECOME SELF-SUFFICIENT WITH RESPECT TO ENERGY BY THE END OF THIS DECADE; AND EVEN DURING THIS DECADE WE CAN MEET MOST OF OUR NEEDS FROM EXPANDED DOMESTIC PRODUCTION AND OTHER SOURCES, AND WE ARE IN THE BEST POSITION TO MAKE BILATERAL ARRANGEMENTS OF OUR OWN.

ON THE OTHER HAND, IF EVERY NATION ADOPTS A POLICY OF BEGGARING ITS NEIGHBORS, A COLLAPSE OF THE WORLD ECONOMY WILL BE INEVITABLE AND THE WHOLE STRUCTURE OF COOPERATIVE

WORLD RELATIONSHIPS THAT HAS DEVELOPED SINCE THE WAR WILL
BE IN JEOPARDY.

WE ARE, THEREFORE, APPROACHING THE NATIONS THAT WE HAVE
INVITED -- NOT TO ASK THEM TO JOIN US IN A CONFRONTATION,
NOR IN A SPIRIT OF GAINING ANY UNILATERAL BENEFIT -- BUT
RATHER WITH THE ATTITUDE THAT WE ARE PREPARED TO SHARE OUR
RESOURCES AND OUR KNOWLEDGE IN A COOPERATIVE EFFORT TO
IMPROVE THE SUPPLY OF ALL NATIONS AND WORK OUT ARRANGE-
MENTS BY WHICH, WHEN THE CONSUMERS INTRODUCE THEIR NEEDS,
IN THE NEXT TWO WEEKS OR MONTHS, THEY CAN TALK ABOUT THEIR
COMMON PROBLEMS WITH MORE CONFIDENCE AND WITH BETTER VISION.

WE WILL PUT BEFORE OUR COLLEAGUES OUR ASSESSMENT OF THE
SUPPLY SITUATION, WHICH WE THINK NEED NOT BE AS BLEAK AS
HAS BEEN OFTEN DESCRIBED.

WE WILL DESCRIBE WHAT WE ARE PREPARED TO DO IN THE FIELD
OF CONSUMER RESTRAINTS, SHARING RESEARCH AND DEVELOPMENT,
DEVELOPING ALTERNATIVE SOURCES O
E E E E E E E

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, FOREIGN MINISTERS MEETINGS, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE025377
Document Source: CORE
Document Unique ID: 00
Drafter: MWGLITMAN/DS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740248/aaaabthb.tel
Line Count: 184
Locator: TEXT ON-LINE
Office: ORIGIN SS
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 26 FEB 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 FEB 2002 by elbezefj>; APPROVED <31 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY - WASHINGTON ENERGY CONFERENCE FOLLOWING ARE EXCERPTS FROM SECRETARY'S FEBRUARY 6
TAGS: ENRG, US, (KISSINGER, HENRY A)
To: TOKYO MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005